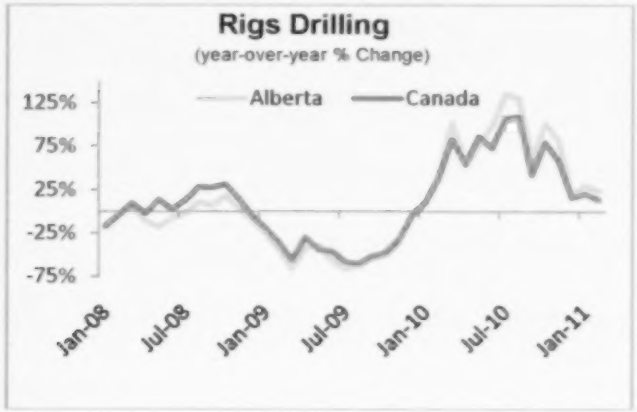
## Rigs Drilling

***Drilling activity increases in February…***

The average number of rigs drilling in Alberta rose 12.3% to 418 in February (preliminary estimate), following an increase of 38.3% in January. On a year-over-year basis, the average number of rigs drilling increased 23.3%. Despite the increase in activity, the number of rigs drilling was slightly lower than the 1999-2008 average of 419 rigs drilling for February.

Nationally, the average number of rigs were up 11.4% to 580 in February (preliminary estimate). On a year-over-year basis, the average number of rigs drilling increased 13.5%.




## Industrial Product (IPPI) and Raw Materials Price Index (RMPI)

***IPPI, RMPI increase in January…***

The IPPI increased 0.2% in January fuelled by higher prices of petroleum and coal products which rose 2.0% and primary metal manufacturing which grew 1.3%. The RMPI rose 0.3% mainly as a result of higher prices for vegetable products (+4.6%) and animal and animal products (+2.5%).

## Canadian Economy

***Expansion in fourth quarter ….***

Real gross domestic product (GDP) rose 0.8% in the fourth quarter (3.3% annualized), after a 0.4% gain in the third quarter. Higher exports and higher domestic demand led the expansion, while manufacturing recorded its first decrease since 2009 second quarter. Overall, real GDP grew 3.1% in 2010, following a 2.5% decline in 2009.

| | | |
|---|---|---|
| ↑ | **Canadian Dollar (US¢/C$)** | |
| | March 4, 2011 | 102.94 |
| | February 25, 2011 | 101.95 |
| | 2010-11 YTD | 98.14 |
| ↑ | **WTI Oil US$/bbl** | |
| | March 4, 2011 | $104.42 |
| | February 25, 2011 | $ 97.88 |
| | 2010-11 YTD | $ 81.86 |
| ↓ | **Nymex Natural Gas C$/MMBtu*** | |
| | **Near-month Contract** | |
| | March 4, 2011 | $3.69 |
| | February 25, 2011 | $3.80 |

*Estimate based on Nymex Futures Market Price

Canada's real gross domestic income (GDI), a measure of purchasing power, advanced 1.3% in the fourth quarter. Overall in 2010, real GDI rose 3.1%. The term of trade, a ratio of export prices index to import prices index, increased 1.6% following a 0.8% decrease in the third quarter.

## Current Account

***Current account at record narrowed in Q4 …***

Canada's current account deficit (on a seasonally adjusted basis) narrowed 34.9% to $11.0 billion in the fourth quarter. This decrease was due to both stronger exports of goods as well as decline in imports of goods.

Despite the decrease in the fourth quarter, overall in 2010, current account deficit increased 14.8% to $50.0 billion.

## Bank Of Canada Interest Rate Decision

***BoC maintains overnight rate target …***

The bank of Canada maintained the overnight rate target at 1% for the fourth consecutive meeting since September 2010, as inflation is consistent with the Bank's expectation.

## US Economy

***US employment edges up, unemployment down …***

The unemployment rate in the US fell 0.1 percentage points to 8.9% in February as non-farm payroll employment rose 0.1% to 130.5 million and the labour force participation rate remained at 64.2%.

# Current Economic Indicators

| Population | 2009 | 2010YTD* | 2011YTD* | Sep | Oct | Nov | Dec | Jan | Feb |
|---|---|---|---|---|---|---|---|---|---|
| Population [1] (000's) (level) | 3,671 | 3,721 | 3,735 | -- | 3,735 | -- | -- | -- | -- |
| % change (year-over-year) | 2.2 | 1.4 | 1.4 | -- | 1.4 | -- | -- | -- | -- |
| Net Interprovincial Migraton [1] (level) | 13,184 | -2,183 | 1,155 | -- | 1,155 | -- | -- | -- | -- |
| Net International Migration [1] (level) | 16,835 | 21,533 | 6,361 | -- | 6,361 | -- | -- | -- | -- |
| Net Non-permanent Residents [1] (level) | 19,162 | -77 | -1,643 | -- | -1,643 | -- | -- | -- | -- |
| **Labour Market** | | | | | | | | | |
| Employment [2] (000's) | 2,025 | 2,017 | 2,054 | 2,021 | 2,038 | 2,033 | 2,032 | 2,054 | -- |
| % change [2] | -1.3 | -0.4 | 2.3 | 0.0 | 1.6 | 0.9 | 0.5 | 2.3 | -- |
| Unemployment Rate [2] (%) | 6.6 | 6.5 | 5.9 | 6.2 | 5.9 | 5.6 | 5.5 | 5.9 | -- |
| Participation Rate [2] (%) | 74.3 | 72.9 | 72.9 | 72.5 | 72.8 | 72.4 | 72.2 | 73.2 | -- |
| Average Weekly Earnings ($) | 950.13 | 993.43 | -- | 996.80 | 1009.35 | 1013.64 | 1000.85 | -- | -- |
| % change | 2.9 | 4.6 | -- | 4.6 | 6.3 | 5.3 | 5.4 | -- | -- |
| **Price Indices** | | | | | | | | | |
| Consumer Price Index | -0.1 | 1.0 | 1 | 0.9 | 1.2 | 0.1 | 0.8 | 1.0 | -- |
| Excluding food and energy | 1.4 | 0.8 | 0.7 | 0.2 | 0.5 | 0.4 | 0.4 | 0.7 | -- |
| Non-Res. Cons. Cost Index [3] (quarterly) | -9.8 | -0.1 | -- | -- | 2.7 | -- | -- | -- | -- |
| Farm Product Price Index | -10.6 | -3.9 | -- | 1.9 | 5.4 | 5.3 | 10.1 | -- | -- |
| Crops NEW! | -18.9 | -14.5 | -- | -9.6 | -6.7 | -8.0 | 0.0 | -- | -- |
| Livestock | -2.8 | 5.7 | -- | 14.4 | 17.3 | 18.6 | 19.4 | -- | -- |
| **Household Sector** | | | | | | | | | |
| Housing Starts (SAAR, 000's) | 20.0 | 27.1 | 19.3 | 27.6 | 25.7 | 21.5 | 20.5 | 19.3 | -- |
| % change | -31.6 | 33.5 | -21.5 | 12.2 | -14 | -28.6 | -25.7 | -21.5 | -- |
| New Housing Price Index | -9.0 | 0.5 | -- | 1.4 | 1.1 | 0.9 | 1 | -- | -- |
| Edmonton | -11.2 | -0.8 | -- | 0.7 | 1.0 | 1.0 | 0.8 | -- | -- |
| Calgary | -6.7 | 1.7 | -- | 2 | 1.1 | 0.8 | 1.1 | -- | -- |
| MLS Average Resale Prices ($ 000's) | 340.5 | 350.9 | 350.5 | 355.4 | 348.0 | 353.8 | 348.3 | 350.5 | -- |
| % change | -3.1 | 3.1 | 1.7 | 0.4 | -2 | -1 | -2.8 | 1.5 | -- |
| Edmonton | 319.1 | 326.5 | 323 | 327.4 | 324.9 | 330.3 | 322 | 323.0 | -- |
| % change | -3.5 | 2.3 | 0.4 | -0.7 | -0.6 | 0.0 | -2.6 | 0.2 | -- |
| Calgary | 384.3 | 397.4 | 397.5 | 410.2 | 396 | 402.9 | 396.5 | 397.5 | -- |
| % change | -4.2 | 3.4 | 3.2 | 1.6 | -1.5 | -0.6 | -3.3 | 3.3 | -- |
| Retail Sales [4] | -8.3 | 5.7 | -- | 6.1 | 3.9 | 12.1 | 7.7 | -- | -- |
| New Motor Vehicle Sales | -21.7 | 9.3 | -- | 13.8 | -0.3 | 18.0 | 2.5 | -- | -- |
| Consumer Bankruptcies | 9,986 | 7631.0 | -- | 732 | 700 | 667 | -- | -- | -- |
| % change | 64.6 | -18.4 | -- | -37.1 | 1.4 | -2.8 | -- | -- | -- |
| **Business Sector** | | | | | | | | | |
| Rigs Drilling | 128 | 207 | 395 | 177 | 260 | 276 | 269 | 372 | 418 |
| % change NEW! | -45.6 | 61.3 | 26.2 | 59.3 | 101.4 | 81.5 | 18.5 | 29.6 | 23.3 |
| Goods Exports (customs based) | -36.3 | 12.1 | -- | 5.5 | 6.4 | 1.5 | -- | -- | -- |
| Energy | -40.1 | 16.9 | -- | 3.2 | 1.6 | -2.6 | -- | -- | -- |
| Agriculture | -10.2 | -9.2 | -- | 0.8 | 6.5 | 9.6 | -- | -- | -- |
| Total Farm Cash Receipts (quarterly) | -7.5 | -5.9 | -- | 0.2 | -- | -- | 7.1 | -- | -- |
| Manufacturing Shipments | -23.7 | 10.9 | -- | 15.7 | 16.8 | 14.3 | 17.6 | -- | -- |
| Wholesale Trade [5] | -15.9 | 11.3 | -- | 20.4 | 20.6 | 30.7 | 21.5 | -- | -- |
| Building Permits | -14.2 | 2.1 | -- | -10.7 | -39.3 | -17.1 | -28.5 | -- | -- |
| Residential | -11.8 | 24.7 | -- | -19.6 | -22.7 | -21.4 | -19.8 | -- | -- |
| Non-residential | -16.3 | -19.0 | -- | 7.2 | -52.5 | -11.8 | -35.2 | -- | -- |
| Business Bankruptcies | 405 | 334 | -- | 34 | 24 | 19 | -- | -- | -- |
| % change | -9.4 | -10.5 | -- | -9.1 | -2.9 | -40.6 | -- | -- | -- |

Government of Alberta ■
Finance and Enterprise

Alberta ■

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

1 Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

2 The Employment, Unemployment Rate and Participation Rate series were revised on February 4, 2011 and are no longer comparable with numbers in previous Bulletins

3 Average of Calgary and Edmonton

4 The Retail Sales series was revised on April 23, 2010 and is no longer comparable with numbers in previous Bulletins.

5 The Wholesale Trade series was revised on April 21, 2010 and is no longer comparable with numbers in previous Bulletins.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

# Current Economic Indicators by Province